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## Senegal

### Grain and Feed

### Wheat Update

**2007**

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**Report Highlights:**

Senegal's imports of wheat continue to grow as urbanization and consumption trends drive increased bread consumption. Meanwhile, rising world grain prices have led the Government of Senegal to freeze flour and bread prices - a move that squeezes the three main flour millers in Dakar while appealing to the masses in an election year.

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Includes PSD Changes: Yes  
Includes Trade Matrix: Yes  
Unscheduled Report  
Dakar [SG1]  
[SG]

Just as French cultural and culinary influences are entrenched in Senegal, the French baguette has a special place in the Senegalese diet – especially in Dakar and other urban centers. Senegal boasts the highest bread consumption in Francophone West Africa. In flour equivalent, consumption is about 22 kg/capita. Bread has evolved into a staple for many consumers – for some it may be the only meal, for others it is breakfast and a complement to the evening's rice and fish. Population growth, urbanization and evolving diets have led to impressive growth in wheat consumption and trade in Senegal and throughout West Africa. In Senegal, domestic flour consumption is increasing at an annual rate of approximately 4 percent, outpacing population growth of 2.75 percent.

Senegal's wheat imports have risen steadily in many years, with demand driven by three major flour milling facilities – Les Grand Moulins de Dakar, Sentenac and NMA. Flour imports have decreased during the same period which is a reflection of newly added capacity as well as the maturity of the milling sector. Today Senegal imports only marginal quantities of flour. Recently, Senegal has even exported flour - notably to neighboring Mali to meet growing consumption in that land-locked market.

#### CY Wheat Imports (MT)

Origin	2001	2002	2003	2004	2005	2006*
Argentina	6,875	7,695	5,048	25,328	7,685	
U.S.	10,461	0	0	24,400	0	4,500
EU	211,527	235,766	263,428	263,237	296,887	176,014
<b>Total</b>	<b>237,574</b>	<b>264,299</b>	<b>271,099</b>	<b>312,966</b>	<b>326,287</b>	<b>180,514*</b>

Source: ANSD Statistics Agency data. \* Through six months

#### CY Wheat Flour Imports (MT)

Origin	2001	2002	2003	2004	2005	2006
EU	12,143	11,100	7,117	2,529	4,000	
<b>Total</b>	<b>13,157</b>	<b>11,162</b>	<b>7,497</b>	<b>2,701</b>	<b>4,000</b>	<b>3,000 est.</b>

Bread prices are equally important, politically speaking – it is easier to raise the cost of gasoline than the price of bread. Fuel costs increased 40 percent during 2006 – a burden born by consumers as well as industrialists. Despite a similar increase in the world price of wheat, and a marginal increase in the price of flour in the fall of 2006, the bread price remains unchanged. For the past several years wheat has been exonerated from the VAT and is subject to customs and port duties in the amount of 7.7%. Rising world wheat prices have prompted the Government of Senegal (GOS) to intervene to informally waive the VAT on bread production and to freeze the price of flour and bread just before the New Year and l'Aïd el Kébir holidays. The millers' price of flour is currently CFA 264,000 per MT and the price of a baguette remains at CFA 150 instead of CFA 175 proposed by bakers' associations. (\$1 = CFA 507 on January 10, 2007.)

Prices will likely be frozen through Presidential and Parliamentary elections which are scheduled for February 25, 2007. The short-term impact is not expected to stem wheat imports, despite the pressure it places on millers and bakers. Bread consumption will remain high and may even grow at a faster rate in response to artificially low prices.

U.S. wheat has again entered the market in 2006, albeit in relatively small quantities. U.S. wheat is blended with French wheat to achieve desired protein and quality levels. Potential future trade in U.S. wheat will depend as much on the quality of French wheat as on U.S. prices.

Senegal Wheat										
	2004	Revised		2005	Estimate		2006	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		07/2004	07/2004		07/2005	07/2005		07/2006	07/2006	MM/YYYY
Area Harvested	0	0	0	0	0	0	0	0	0	(1000 HA)
Beginning Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Production	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imports	354	0	342	381	0	369	300	0	380	(1000 MT)
TY Imports	354	0	342	381	0	340	300	0	380	(1000 MT)
TY Imp. from U.S.	0	0	0	5	0	5	0	0	5	(1000 MT)
Total Supply	354	0	342	381	0	369	300	0	380	(1000 MT)
MY Exports	0	0	0	0	0	15	0	0	15	(1000 MT)
TY Exports	0	0	0	0	0	15	0	0	0	(1000 MT)
Feed Consumption	0	0	0	0	0	0	0	0	0	(1000 MT)
FSI Consumption	354	0	342	381	0	354	300	0	365	(1000 MT)
Total Consumption	354	0	342	381	0	354	300	0	365	(1000 MT)
Ending Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Distribution	354	0	342	381	0	369	300	0	380	(1000 MT)